

EXHIBIT 42

AdX dynamic sell-side rev share (DRS v1) - project description / mini PRD

maxl - july 2014, updated august 2014

We want to increase publisher and Google revenue by dynamically changing the AdX revenue share so that more auctions end with a winning buyer.

Background

Google takes a “buy side” and “sell side” revenue share for each AdX transaction. There is a 20% share on all transactions, and an additional 14% for buyers coming through AdWords. The 14% “buy side” rev share has successfully been dynamically changed in order to maximize Google revenue (“Project Bernanke”).

This project (DRS) proposes to change the 20% rev share per query in order to get more auctions with winners (and increased revenue), while keeping Google margins roughly the same.

High level requirements

- Dynamically set the “sell side” rev share on each AdX query
 - Stick to 20% rev share for queries with winners
 - Reduce the 20% rev share when there is no winner at 20% and an opportunity to find a winner with a reasonable, lower rev share
- Prevent sellers from taking advantage of dynamic rev shares
 - If buyers bid the same, pub could raise the floor and still win
 - if this is a problem, DRS will be throttled by seller
- Prevent buyers from taking advantage of dynamic rev shares
 - since reserve prices are visible, buyers could observe auctions clearing even when their post-revshare bid is below the reserve price, and then attempt to lower their bid
 - if this is a problem, lower rev shares can be throttled per buyer, or we can change what reserve price we reveal
- Increase publisher payout and Google profit
 - Decide on and maintain an acceptable target margin - it will be lower than 20%, but not too much
 - eg. 19% on average

Comment [1]: Why did we decide to only lower revshare? We could increase revshare where possible with the goal to maintain a 20% margin on the whole publisher property/day or publisher/buyer/day. That would prevent any possible gaming from buyers and publishers and remove the need of throttling.

Comment [2]: We are considering that as well for a later version.

References

- [Design doc](#)

- Analysis of potential
- **comms presentation**
- launch ticket